

# Taunton Deane Borough Council

**Executive - 14 January 2009**

**Somerset Waste Partnership – Plastic and Card Recycling**

**Report of Strategic Director (Joy Wishlade)**

This report is the responsibility of Executive Councillor Mullins

## **1. Introduction**

- 1.1 The purpose of this report is to seek the Executive Committee's approval for the introduction of a kerb side collection service of plastic bottles and cardboard.

## **2. Background**

- 2.1 The Somerset Waste Board (SWB) instituted trial rounds with differing collection frequencies of plastic bottles and card (Sort It +) in 2008. The report and conclusions of these trials is found at Appendix 1 (report of the SWB)
- 2.2 The Overview and Scrutiny Board of Taunton Deane Borough Council discussed the interim results of the trial in September 2008 and agreed that Service Package 2 (SP2) appeared to be the best value in terms of performance versus cost although it was recognised that SP5 would produce a higher level of performance if it could be made to be affordable.
- 2.3 The final outcome of the trials show that SP5 proves to be significantly more expensive and thus the recommendation is to bring in SP2. This service package means that food waste and current recyclables (paper, cans, glass) will be collected weekly while residual waste and card and plastic bottle recyclables will be collected fortnightly.

## **3. Financial Implications**

- 3.1 The current estimate of the annual revenue costs of SP2 is £292,000. However, this figure is based on 2008/2009 and prior to the annual price review with May Gurney. The final price should be finalised in mid January 2009. For budgetary purposes it is proposed to add a 5% contingency to this price until the final costs are known. Thus the revenue amount requested for budgetary purposes is £307,000. Taunton Deane has already set aside its share of the savings arising from the procurement of a Somerset wide collection contract (£231,000). A further £150,000 was put into the Council's Medium Term Financial Plan to cover the costs of providing this service. This means that the Council's budget can be reduced by £74,000.

- 3.2 There are also capital costs for the purchase of extra recycling bins. The cost for Taunton Deane is £176,000. However, Somerset County Council is in receipt of Waste Infrastructure Grant and has agreed to assist district councils in these purchases by offering 75% of the cost. Thus the cost to Taunton Deane Borough Council is £44,000. This funding is available from residual waste reserves.

#### **4. Legal Implications**

- 4.1 Taunton Deane will enter a legal agreement with May Gurney to deliver kerb side card and plastic bottle collections throughout the district.

#### **5. Implementation**

- 5.1 Implementation across the whole of the district will take up to 12 months and will commence in 2009/2010

#### **6. Recommendation**

The Executive is recommended to agree the following:-

1. To roll out the Sort It + SP2 service commencing in 2009/2010;
2. To consider either full implementation within 2009/2010 or a phased implementation over 2009/2010 and 2010/2011;
3. To amend the Council's draft budget for 2009/2010 to reflect the current estimated cost; and
4. To request Full Council to approve an increase to the capital programme of £44,000 for the estimated shortfall in capital funding which is to be funded from uncommitted waste services reserves.

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# SORT IT PLUS Trials







## Final Report – Summary

### December 2008



#### 1. Introduction

- 1.1 The SORT IT PLUS trials covered 8,500 households on 13 rounds in Mendip, Sedgemoor and Taunton Deane during May – September 2008.
- 1.2 SORT IT PLUS builds on Somerset’s award-winning SORT IT collections, which previously have been successfully rolled out throughout Mendip, South Somerset and Taunton Deane, by adding cardboard and plastic bottles to recycling collections.
- 1.3 The original SORT IT collections are an integrated package of waste services involving weekly food waste and recycling collections, fortnightly refuse collections, optional charged garden waste collections, as illustrated below. The SORT IT service is not yet provided in Sedgemoor and West Somerset, where fortnightly recycling, weekly refuse and charged fortnightly garden waste collections are currently provided.

SORT IT Service Package				
	Food Waste	Recycling	Refuse	Garden Waste
Week 1				
Week 2				

- 1.4 The effect of SORT IT in Mendip, South Somerset and Taunton Deane has been to reduce refuse arisings by about half, as well as to reduce total waste arisings, and to double recycling rates to 45-49%, with about a quarter of this performance contributed by food waste recycling.
- 1.5 Although 76% of survey respondents said SORT IT was better than the previous waste collection arrangements, there have been many requests to add cardboard and plastic bottles to kerbside recycling collections, which residents report to be the main materials remaining in their refuse bins. It is clear that the service would be greatly improved with the addition of kerbside recycling collections for these materials and finding an affordable option for this was one of the aims of the new county-wide refuse and recycling collections contract.

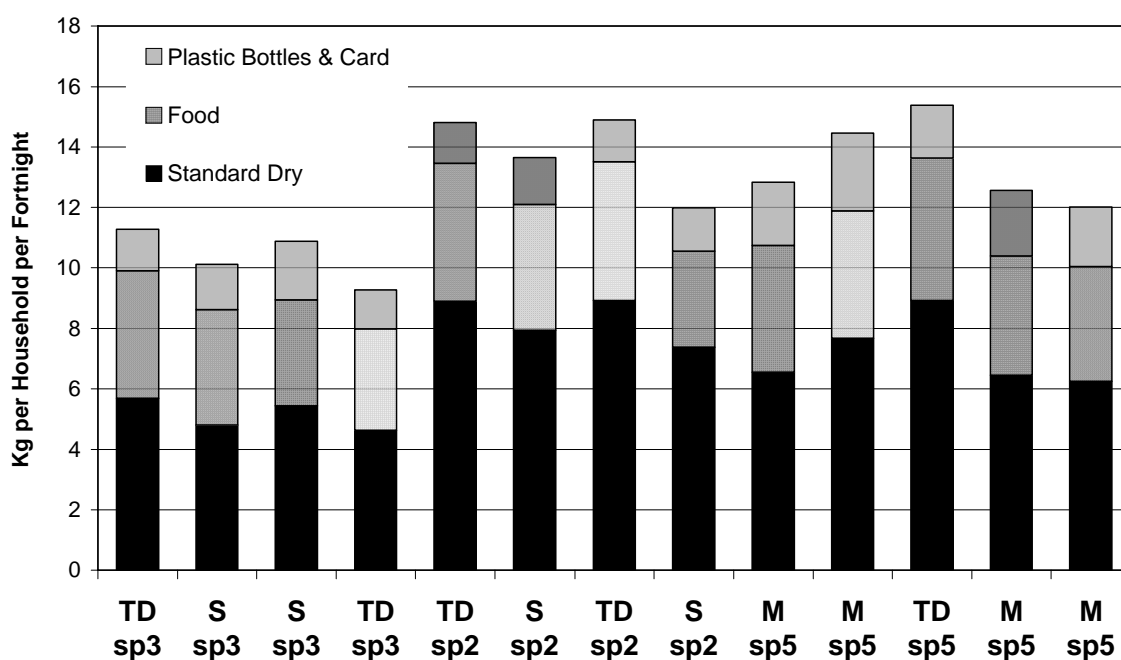
- 1.6** The SORT IT PLUS trials have tested methods for adding cardboard and plastic bottles to kerbside recycling collections, involving innovative new collection vehicles and different recycling collection frequencies, referred to as service packages.
- 1.7** The differences between service packages are in the frequencies of recycling collections for current standard recyclables (paper, glass, cans etc) and the additional plastic bottles and cardboard, as shown in the following table.

<b>Service Package Recycling Frequencies</b>	<b>Service Package 3</b>	<b>Service Package 2</b>	<b>Service Package 5</b>
Standard Dry Recyclables	Fortnightly	Weekly	Weekly
Plastic Bottles & Cardboard	Fortnightly	Fortnightly	Weekly
Food Waste	Weekly	Weekly	Weekly

- 1.8** The vehicles tested involve one and two vehicle pass solutions to recycling collections. The two pass solution, tested in Sedgemoor and Taunton Deane, used a standard stillage vehicle for standard dry recyclables (paper, glass, cans, etc) and a 3-way split compaction vehicle for food waste, plastic bottles and cardboard (food waste being loaded into a pod behind the cab and the two bulky streams loaded at the rear into separate compaction compartments). The two pass solution is used for service packages 2 and 3, but can also be used for service package 5. The one pass solution involves a new design of stillage vehicle to collect all dry recyclables and food waste on the same vehicle. This is only used for service package 5 and was used on trial rounds in Mendip.
- 1.9** A monitoring programme for the SORT IT PLUS trials included:
- a) recording and analysis of trial round weights (before launch and following in June and September 2008);
  - b) collection and analysis of samples at the household level of materials put out for recycling;
  - c) participation monitoring to record the numbers of households putting out materials for recycling;
  - d) a time and motion study of one of the trial vehicles;
  - e) an assessment of the carbon impact and benefits of each service package;
  - e) a questionnaire survey provided to all households on the trials.
- 1.10** Findings from the monitoring programme were reported to the Somerset Waste Board in July, October and November 2008 and to all of the SWP district partners during September – November 2008.
- 1.11** A full report on the trials and the monitoring programme has been produced and will be available from 16 January 2009 as a PDF download from: [www.somersetwaste.go.uk](http://www.somersetwaste.go.uk). A summary of the main findings follows below.

## 2. Trial results and findings

2.1 The chart below shows the average quantities (kg per household per fortnight) collected on each of the trial rounds, grouped by service package.



Round codes: M – Mendip, S – Sedgemoor, TD – Taunton Deane, sp – Service Package.

2.2 The table below shows the recycling yields (kg/household/fortnight) and rates predicted for each district and service package from the trial round weight results. To obtain these findings, the before and after changes in recycling yields and refuse arisings on the trial rounds were applied to actual district data for 2007/08.

Service Package 3	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset
Standard Recycling	6.9	5.0	6.4	6.8	5.2
Plastics & Card	1.6	1.7	1.6	1.6	1.7
Food Waste	3.3	3.8	3.5	3.8	3.8
<b>RECYCLING RATE</b>	<b>46%</b>	<b>44%</b>	<b>50%</b>	<b>52%</b>	<b>44%</b>

Service Package 2	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset
Standard Recycling	7.6	6.8	7.1	7.5	7.1
Plastics & Card	1.4	1.5	1.4	1.4	1.5
Food Waste	3.5	3.8	3.7	4.0	3.8
<b>RECYCLING RATE</b>	<b>48%</b>	<b>49%</b>	<b>53%</b>	<b>55%</b>	<b>50%</b>

<b>Service Package 5</b>	<b>Mendip</b>	<b>Sedge-moor</b>	<b>South Somerset</b>	<b>Taunton Deane</b>	<b>West Somerset</b>
Standard Recycling	7.7	7.0	7.2	7.6	7.0
Plastics & Card	2.1	2.1	2.1	2.1	2.1
Food Waste	3.8	3.9	4.0	4.3	3.9
<b>RECYCLING RATE</b>	<b>51%</b>	<b>52%</b>	<b>56%</b>	<b>58%</b>	<b>53%</b>

To identify the before and after changes, a number of adjustments needed to be made to the trials round weight data, which are described in the full report. The main reasons for these adjustments were to correct some anomalies due to missing and unreliable data and to address an issue due to Taunton Deane rounds performing higher than others, especially those in Mendip (where larger refuse bins are currently used), which skewed some of the comparisons between service packages.

- 2.3 The table below shows the average recycling yields (kg/household/fortnight) and rates predicted for each service package in Somerset based on the trial results.

<b>SOMERSET AVERAGE</b> kg/household/fortnight	<b>Service Package 3</b>	<b>Service Package 2</b>	<b>Service Package 5</b>
Standard Recycling	6.1	7.2	7.3
Plastics & Card	1.6	1.5	2.1
Food Waste	3.6	3.8	4.0
<b>RECYCLING RATE</b>	<b>47%</b>	<b>51%</b>	<b>54%</b>

- 2.4 The trial round weights indicated that service package performance was closely linked to collection frequency. The highest recycling yields were achieved on service package 5 rounds (weekly recycling) and the lowest yields on service package 3 rounds (fortnightly recycling). Service package 2 rounds achieved similar yields according to collection frequency, so yields were similar to service package 5 with weekly collections of standard recyclables and similar to service package 3 with fortnightly collections of plastic bottles and cardboard. Although yields on service package 2 rounds were slightly lower in both cases.

Refuse reductions also increased from service package 3 to 2 to 5.

Some of the effects were different on Sedgemoor trial rounds, which did not previously have SORT IT collections, compared to Mendip and Taunton Deane rounds which did. Due to SORT IT, recycling yields were already 50% higher in Mendip and Taunton Deane and refuse arising were half those in Sedgemoor before the trials. Service packages 2 and 5 increased yields for standard recyclables in Sedgemoor to those achieved in Taunton Deane, but service package 3 did not and only slightly increased yields for standard recyclables on these rounds.

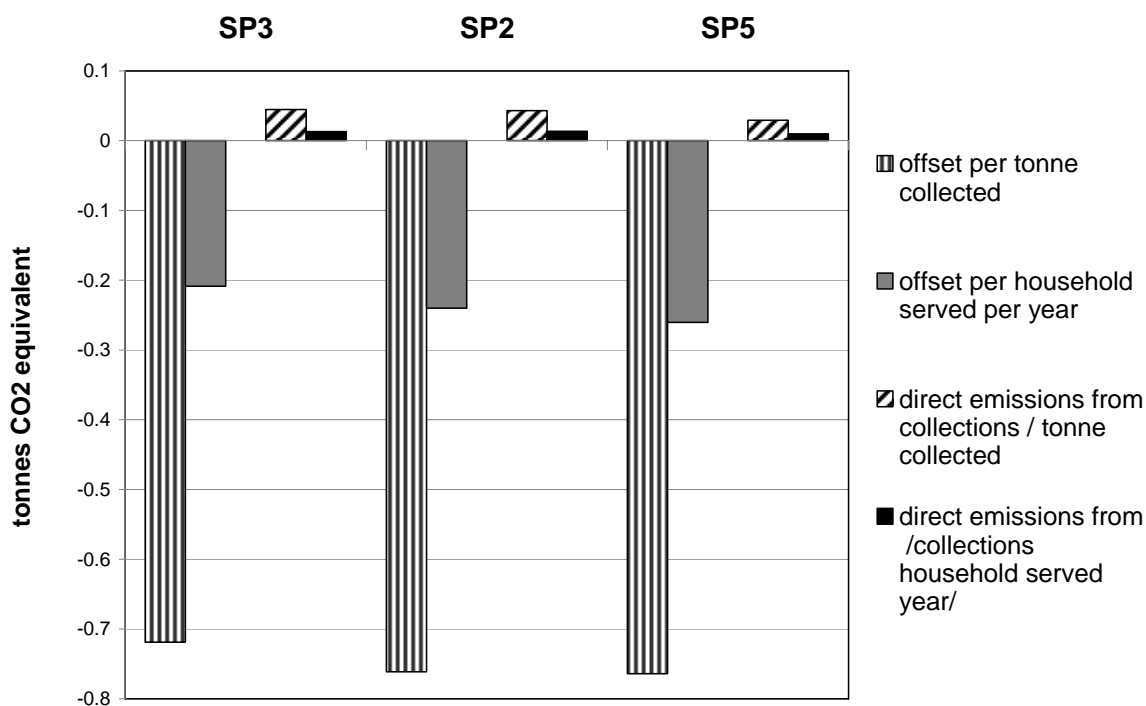
Being new to SORT IT, the refuse reductions were much larger in Sedgemoor and refuse arisings fell to similar levels to those in Mendip and Taunton Deane,

although to a lesser extent with service package 3.

- 2.5** An important effect to note from SORT IT PLUS with service packages 2 and 5 is that not only is there extra recycling from the additional plastic bottles and cardboard collected, but also from additional recycling of existing materials (paper, glass, cans, food waste, etc). For standard dry materials there has been an increase of 0.7 and 0.8 kg/hh/fort for service packages 2 and 5 respectively, when compared to previous SORT IT yields. This effect does not occur or, at best, is much smaller with service package 3 in which standard materials are collected fortnightly. There also appears to be an increase in food waste collected with service packages 2 and 5. Overall, the effect is that the collections of plastic bottles and cardboard alone adds approximate 2.5% to recycling rates with service packages 3 and 2 and adds about 3.5% with service package 5. On top of this, additional recycling of existing materials adds approximately 3% to recycling rates with service packages 2 and adds about another 5% with service package 5.
- 2.6** Recycling participation rates were recorded on 6 rounds: one urban and one rural from each service package. These were measured over two weeks instead of the longer periods (3-6 weeks) normally used. Participation increased slightly from service package 3 to 2 to 5 and was also slightly higher on rural rounds than on urban rounds. Participation levels were measured as being 78-97% and, with a longer monitoring period, it is likely that they exceeded 80% on all rounds.
- 2.7** Service leaflets requested that materials for recycling were separated in two different boxes, but there was some incorrect cross-use of boxes, especially by plastic bottles and cardboard being put out with standard recyclables.
- 2.8** One in six households put out recyclables alongside their boxes, which is accepted and was encouraged for cardboard in service leaflets. Cardboard was the material most put out alongside boxes, followed by plastic bottles and paper. Service package 2 rounds had a higher proportion of households putting out materials alongside boxes during weeks when both boxes were collected, suggesting that there may have been a lack of box capacity for some households with service package 2. This may also explain the lower participation and yields on service package 3 rounds, where all dry recycling collections were fortnightly.
- 2.9** The household level composition samples confirmed that yields of plastic bottles and cardboard were highest with service package 5.
- 2.10** Weights recorded for food waste across all households served increased slightly from service package 3 to 2 to 5.
- 2.11** A carbon assessment of each service package was undertaken by comparing the carbon emissions from estimates of the fuel used by the vehicles delivering each service package and the amount of carbon dioxide equivalent saved by recycling materials instead of sending them to landfill. Service packages 3 and 2 were assessed for the use of a 3-way split and stillage vehicles being used to collect recyclables, food and garden waste and service package 5 was assessed for the use of a stillage for all (recycling and food waste) vehicle and separate compaction vehicle for garden waste.

**2.12** The results of this assessment are summarised in the chart below, with carbon offsets (savings by recycling) and emissions shown both per tonne and per household served. Service package 5 had the least carbon impacts from emissions and the greatest greenhouse gas savings from recycling, which, if implemented throughout Somerset, would lead to carbon dioxide equivalent savings of 60,000 tonnes per annum. Service package 5 allows savings of over a quarter of a tonne of carbon dioxide equivalent per household and over three-quarters of a tonne for each tonne of material recycled.

**2.13** For all three service packages, the carbon benefits of supplying quality recyclables to end markets far outweigh the direct emissions associated with the collection of that material from households.



**2.14** A time and motion study undertaken using a video recording of operations throughout the day for the stillage for all vehicle found that about 18% of time was spent dealing with bulk bags, which could be gained by a more efficient vehicle design that did not rely on these, allowing more households to be served by collectors each day. The video timings also suggested that boxes with mixed materials took over twice as long to load compared to boxes that contained correctly separated materials, which confirms the benefit of discouraging mixed boxes, even with a single pass recycling collection system. Waste for recycling put out alongside boxes took less time to load onto the collection vehicle because it usually consisted of a single material bundled or bagged at the kerbside.

**2.15** Operationally, the 3-way split vehicle, in combination with a stillage vehicle, allows a very flexible approach to collections, with capacity to accommodate the wide variations in materials that can be put out on different rounds. This combination copes easier with the large bulk of plastic bottles and cardboard.

**2.16** Operatives found the 3-way split vehicle easy to use and efficient. It also avoids the need for driver-side loading, which can pose a health and safety risk.



- 2.17** The food waste trough on the 3-way split vehicle required modification to reduce spillage and improve loading efficiency. A 'slave' wheeled bin was also tried instead of the trough, which improved collection times and was a considerable improvement, especially on urban rounds.
- 2.18** The 3-way split vehicle needs storage capacity to be provided for carrier bags used by many households to put materials out for collection.
- 2.19** Difficulties due to Box 1 and 2 materials being mixed in boxes caused greater inefficiencies with the 2-pass recycling system provided by the 3-way split and stillage vehicles, than with the stillage for all vehicle.
- 2.20** The stillage for all vehicle enables standard dry recyclables, food waste and plastic bottles and cardboard to be collected in one pass, causing less potential confusion for residents and mistaken complaints of 'missed collections' as all materials for recycling are collected at the same time.
- 2.21** With the stillage for all vehicle, a maximum of two collection vehicles are used each week, with one for refuse or garden waste (if collected on alternating weeks), whereas up to three are used for collections with the 3-way split.
- 2.22** The stillage for all vehicle has less flexibility, as food waste and all dry materials for recycling are collected on the same vehicle, and is more likely to be regularly filled close to capacity. The household pass rate of the stillage for all is also much lower than with the 3-way split and stillage vehicles combination.
- 2.23** The bulk bag system on the stillage for all vehicle proved very inefficient and an alternative system is needed if this vehicle is to offer an effective collection option.
- 2.24** A number of improved designs for the stillage for all vehicle are in development, which use mechanical mechanisms to lift light materials, normally mixed plastic bottles and cans, to top level storage chambers. These new designs promise a more efficient solution, but none have yet been proven on collections. Several are now very close to becoming operational, including designs developed by May Gurney, Bryson Recycling and WRAP, all of which would be available for May Gurney to use in Somerset.
- 2.25** Inspection of the SORT IT PLUS trial rounds found that households mostly used the new collections as intended and as requested through service leaflets.
- 2.26** However, problems were observed with many households initially putting out non-bottle plastics and, in some cases, cartons for collections and a fair number being confused by fortnightly recycling collection cycles and so putting the wrong materials out on the wrong week. These issues were largely addressed through the use of labels attached to boxes in which non-bottle plastics and cartons were left and by delivering leaflets with another copy of the collection calendar to those putting out on the wrong week. Although issues with incorrect materials being put out were not entirely eliminated.

**2.27** Problems, in terms of reduced collection efficiency, arose with the wrong materials being put out in each recycling box. Stickers had been provided for boxes to indicate that one was for paper, glass, cans and foil and the other for plastic bottles and cardboard, which was also described in service leaflets and the newsletter. However, materials were quite often incorrectly put out in boxes and it was apparent that it would benefit both householders and collection crews if different colour and better marked boxes were provided for different material streams, especially, but not only, where 2 vehicles were used for recycling collections.

**2.28** Results from the questionnaire survey are summarised in the following tables, which shows the most notable findings. Overall, all service packages were given positive ratings with service package 5 receiving the highest scores and then service package 2.

Questions and Responses %	Service Package 3	Service Package 2	Service Package 5
Q1. SORT IT PLUS collections for recycling and refuse are much better or better than the previous waste collection arrangements?	69%	75%	87%
Q2. It is easy or fairly easy to separate your waste into the different categories?	81%	81%	90%
Q3. Recycling a lot more or more.	72%	76%	83%
Q5A. Refuse bin has been full with extra sacks.	5%	6%	2%
Q10. How recycling collections for cardboard and plastic bottles could be improved:			
- No need for improvement	25%	21%	42%
- Lid for box	22%	22%	22%
- Different colour box (TD)	18%	22%	6% (17%)
- More frequent collections	11%	14%	1%

Q11. If it was not affordable to collect all recyclables and food waste weekly and your local Council had to choose, which would you prefer?			
- Weekly collection of food, paper, glass and cans but not collect plastic bottles and cardboard	16%	24%	22%
- Weekly food waste collections and fortnightly collections for all recyclables (including plastic bottles and cardboard)	84%	76%	78%

**2.29** Very few households found that their refuse bin capacity was insufficient with SORT IT PLUS, especially with service package 5.

**2.30** There was not a consistent pattern to views on improvements for the plastic bottles and cardboard collections, with the highest response being that no improvement was needed, especially for service package 5. A number of different improvements were supported, with the main ones being the provision of lids for boxes and using different colours for the two recycling boxes.

**2.31** If faced with a choice, most respondents said they would prefer that kerbside recycling collections be provided for plastic bottles and cardboard rather than weekly recycling collections for paper, glass and cans without plastic bottles and cardboard.

### **3. SORT IT PLUS implementation**

**3.1** Based on the trials experience and the previous introduction of SORT IT collections in Mendip, South Somerset and Taunton Deane, it is recommended that a phased approach should be adopted to the introduction of SORT IT PLUS collections, if these are to be rolled-out in Somerset. This avoids over-stretching on the delivery of new vehicles and containers and enables changes to be properly communicated to residents, with time allowed to respond to enquiries that are generated by rolling out new services.

**3.2** A second recycling box would be provided to householders, which is pre-printed with materials that can be accepted in this box. A sticker with a material list would be provided with service leaflets for existing boxes. The boxes should be different colours, with green and black being the best options as both colours are already used in Somerset. An additional recycling box would be available on request if required to provide additional collection capacity, but not where requested just to keep different materials separate.

**3.3** The materials accepted in each box are expected to be:

Box 1 - paper, glass, foil;

Box 2 - plastic bottles, cans, cardboard;

Separate alongside box 1 - clothes, shoes, car batteries.

**3.4** In Sedgemoor and West Somerset, food waste bins (external small bin with handle and lockable lid and a kitchen caddy) and a refuse bins for households, where suitable, would be provided for the new SORT IT collections. Arrangements would also be made for local shops to sell compostable liners for the food waste bins.

**3.5** 180-litre wheeled bins would be provided as standard for refuse, with smaller alternative 140-litre bins available on request and larger bins available on application by larger households and those genuinely needing more refuse capacity.

**3.6** SORT IT service rules would be applied, which include:

- side waste not being accepted alongside refuse bins;

- a 4-sack limit for households remaining on refuse sacks; and

- materials put out for recycling which are not accepted being left behind.

Advice and assistance would be provided to residents if collection problems arise and waste collectors have information labels and stickers to attach to collection containers, whenever waste cannot be accepted.

**3.7** A similar communication plan to that adopted for previous SORT IT roll-outs would be adopted for Sedgemoor and West Somerset, with notification packs delivered to all households and roadshows held in all new collection areas before service commencement. Service leaflets should be delivered with new collection containers just before the start of the new collections and a newsletter and survey form should be delivered to all residents within 2-3 months.

**3.8** For current SORT IT districts, the trials demonstrated that the same level of communication was not required for the addition of plastic bottles and cardboard recycling to existing SORT IT collections. It should be sufficient to advertise a small number of roadshows for each new roll-out phase and to deliver service leaflets with new recycling boxes. A follow-up newsletter should not be required.

#### 4. Costs

- 4.1 The **additional** annual revenue costs for each SORT IT PLUS service package are shown below. These show collection contract costs only and take account of Recycling Credit payments to district authorities for waste disposal savings.

<b>Additional Annual Revenue Costs - (£,000s)</b>	<b>Service Package 3</b>	<b>Service Package 2</b>	<b>Service Package 5</b>
Mendip	£324	£315	£388
Sedgemoor	£547	£491	£560
South Somerset	£563	£550	£659
Taunton Deane	£301	£292	£359
West Somerset	£194	£174	£208

These prices are higher than those that would apply if material income levels were at the level tendered by May Gurney and included in the SWP's collections contract. Due to the recent global economic crisis, there have been considerable falls in the prices of some materials, including plastic bottles and cardboard. Although others, such as glass and paper, have been little affected and both are also protected by long term contracts with guaranteed prices.

Due to the unforeseen and unprecedented fall in market prices, it has been agreed that May Gurney could submit service package prices that have been calculated on the basis of revised material values, which are higher than current very low market levels but at lower material values than tendered for the SWP's collection contract.

Service package 5 prices are based on the use of an effective stillage for all design providing single-pass recycling collections, which has not yet been sufficiently proven in operation, but is expected to be soon. The costs of providing service package 5 with two-pass recycling collections, using the 3-way split vehicle, are much higher and this has now been discounted as an option.

It is important to note that these prices apply to 2008/09 and will be subject to an annual price review, which is expected to lead to increases at least in line with inflation.

- 4.2 A proposed SORT IT PLUS roll-out programme has been prepared, which is based on phased roll-outs to ensure management control and preferred timings indicated by partners. This programme will be further developed and finalised in consultation with the SWP Senior Management Group and May Gurney.
- 4.3 The following table shows the additional revenue costs profile (at 2008/09 prices as above) for each district that would result from the proposed roll-out programme for service packages 2 and 5. The costs shown in this table include the SWP's communication costs for introducing the new services as well as May Gurney's additional collection contract costs. Also included are contributions for

additional Customer Services Adviser support during roll-outs in Sedgemoor (equivalent to £25k pa) and West Somerset (equivalent to £15k pa).

<b>SP2: Additional Revenue Costs - £,000s (including communications)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Mendip	£75	£254	£315
Sedgemoor	£88	£407	£510
South Somerset	£38	£263	£545
Taunton Deane	£112	£294	£292
West Somerset	0	£121	£176

<b>SP5: Additional Revenue Costs - £,000s (including communications)</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Mendip	£87	£307	£388
Sedgemoor	£96	£448	£576
South Somerset	£43	£310	£648
Taunton Deane	£130	£357	£359
West Somerset	0	£137	£205

- 4.4** The following table shows the **total contract net costs per tonne** for kerbside **recycling** collections (including food waste and communal collections) for current services and each SORT IT PLUS service package.

<b>Costs per tonne - £</b>	<b>Current service</b>	<b>SP 3</b>	<b>SP 2</b>	<b>SP 5</b>
Mendip	£64	£76	£72	£70
Sedgemoor	£19	£86	£72	£70
South Somerset	£65	£79	£75	£72
Taunton Deane	£57	£69	£65	£63
West Somerset	£36	£102	£85	£86

- 4.5 The following table shows the **total contract net costs per household** for kerbside **refuse and recycling** collections (including food waste and communal collections) for current services and each SORT IT PLUS service package.

<b>Costs per household - £</b>	<b>Current service</b>	<b>SP 3</b>	<b>SP 2</b>	<b>SP 5</b>
Mendip	£37	£44	£44	£45
Sedgemoor	£31	£42	£41	£42
South Somerset	£35	£43	£43	£44
Taunton Deane	£33	£40	£39	£41
West Somerset	£38	£49	£48	£50

- 4.6 In addition to revenue costs, there will be capital costs for the provision of additional collection containers, including for refuse bins in Sedgemoor and West Somerset. Somerset County Council has indicated it is minded to make a substantial contribution of up to a maximum of 75% towards this capital cost from a DEFRA Waste Infrastructure Grant, leaving net capital costs for each district as shown below.

<b>Capital Costs (Approx. £,000s)</b>	<b>Total Capital Cost</b>	<b>SCC Contribution</b>	<b>Net District Cost</b>
Mendip	£181	£136	£46
Sedgemoor	£1,191	£893	£298
South Somerset	£285	£214	£72
Taunton Deane	£176	£132	£44
West Somerset	£442	£340	£102

## 5. Conclusions and next steps

- 5.1 Service package 5 achieved the best performance and was the most popular SORT IT PLUS service package with residents, although service package 2 also achieved a good performance and was popular with residents.
- 5.2 The performance of service package 3 was significantly lower than for the others. As a result less income from material sales and Recycling Credit payments are generated to off-set costs, which results in service package 3 having higher costs than service package 2, which provides a better service.

- 5.3** It is very important to make the right initial choice of service package, as different recycling collections vehicles are used for service packages 2 and 5 and it would be very difficult to change the service package adopted during the lifetime of these vehicles, due to the costs of arranging for their replacement.
- 5.4** As part of their budget setting and Medium Term Financial Plan processes each district will now be confirming which SORT IT PLUS service package they wish to adopt, if any. These decisions should be confirmed by the end of February 2009.
- 5.5** There would be benefits if all authorities adopted the same service package, as some collection and organisational efficiencies may be lost if all do not adopt the same service package, which is likely to increase costs.
- 5.6** At the same time, May Gurney are finalising 2008/09 prices for providing SORT IT PLUS collections in Somerset, based on possible adoption patterns. The annual price review for the SWP's collection contract with May Gurney is also underway and expected to be concluded by the end of the year.
- 5.7** The adoption of Service Package 5 would be dependent on the new design stillage for all vehicle being proven to operate reliably and efficiently, which would be required before a final commitment is given to May Gurney for this option.
- 5.8** To proceed with a SORT IT PLUS service package, sufficiently stable and secure long term markets are required for materials collected for recycling. Therefore, Somerset Waste Partnership would only proceed with this service development if long term markets are secured for materials collected and May Gurney accepts the risk on material values at the level used to calculate the prices shown in this report.